

[3rd December 1970]

APPEND, X II

[Vide item VII (II)]

L.A. Bill No. 47 of 1970

(As passed by the Assembly)

THE TAMIL NADU WATER SUPPLY AND DRAINAGE BOARD
BILL, 1970.

A Bill to provide for the establishment of Water Supply and Drainage Board and the regulation and development of drinking water and drainage in the State of Tamil Nadu.

BE it enacted by the Legislature of the State of Tamil Nadu in the Twenty-first Year of the Republic of India as follows :—

CHAPTER I

PERLIMINARY

1. *Short title and commencement.*—(1) This Act may be called the Tamil Nadu Water Supply and Drainage Board Act, 1970.

(2) It shall come into force on such date as the Government may, by notification, appoint.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(1) “Board” means the Tamil Nadu Water Supply and Drainage Board constituted under section 4 ;

(2) “Chairman” means the Chairman of the Board ;

(3) “Committee” means any Committee appointed under section 14 ;

(4) “Director” means the Director of the Board and includes its Chairman and Managing Director ;

(5) “drainage” means any device for carrying off sewage, offensive matter, polluted water, waste water, rain water, or sub-soil water ;

(6) “Government” means the State Government ;

(7) “local authority” means—

(i) the Municipal Corporation of Madras, or

(ii) a municipal council constituted under the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920), or

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(iii) a township committee constituted under the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920) or the Mettur Township Act, 1940 (Tamil Nadu Act XI of 1940), or the Courtallam Township Act, 1954 (Tamil Nadu Act XVI of 1954), or the Bhavani-sagar Township Act, 1954 (Tamil Nadu Act XXV of 1954), or the Tamil Nadu Panchayats Act, 1958 (Tamil Nadu Act XXXV of 1958) or under any other law for the time being in force, or

(iv) a panchayat union council or a panchayat constituted under the Tamil Nadu Panchayats Act, 1958 (Tamil Nadu Act XXXV of 1958) ;

(8) " Regulations " means the regulations made under this Act ;

(9) " rules " means the rules made under this Act ;

(10) " scheme " means any scheme relating to the provisions of drinking water and drainage and such matters incidental thereto and includes a draft scheme prepared for the above purpose ;

(11) " year " means the financial year.

CHAPTER II

CONSTITUTION OF THE BOARD

3. *Creation and incorporation of the Board.*— The duty of carrying out the provisions of this Act shall, subject to the restrictions, conditions and limitations therein contained, be vested in a Board to be called, " The Tamil Nadu Water Supply and Drainage Board " ; and such Board shall be a body corporate and have perpetual succession and a common seal, and shall by the said name sue and be sued.

4. *Constitution of the Board.*—(1) The Board shall consist of—

(a) a Chairman ;

(b) a Managing Director ;

(c) four Directors to represent respectively the departments of the Secretariat of the Government dealing with—

(i) Finance ;

(ii) Health and Family Planning ;

(iii) Rural Development and Local Administration ;

(iv) Public Works ;

(d) the Commissioner, Municipal Corporation of Madras, *ex-officio* ;

(e) the Chairman, Chamber of Municipal Councils, *ex-officio* ;

(f) the President, Tamil Nadu Panchayat Union, *ex-officio* ; and

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(g) a person with wide experience in the field of public health engineering with reference to water supply or drainage or disposal of industrial waste who is not employed by the Government or a local authority or a corporation owned or controlled by the Government.

(2) The Chairman and the Managing Director shall possess such qualifications as may be prescribed. The Directors other than those referred to in clauses (d), (e) and (f) of sub-section (1) shall be appointed by the Government.

(3) If for any reason the Director referred to in clause (d) of sub-section (1) is unable to attend any meeting of the Board he may depute any officer subordinate to him to attend such meeting. The officer so deputed shall have the right to take part in the discussions of the Board, but shall not have the right to vote.

5. *Appointment of the Chairman, the Managing Director and Directors to be notified.*—The appointment of the Chairman, the Managing Director and the official and non-official Directors shall be notified in the *Tamil Nadu Government Gazette*.

6. *Term of office and conditions of service of the Chairman, the Managing Director and the non-official Directors.*—(1) The term of office of, and the terms and conditions of service of, the Chairman, the Managing Director and the non-official Directors and the manner of filling casual vacancies in the offices of the non-official Directors of the Board shall be such as may be prescribed.

(2) Any Director may resign his office by giving notice in writing to the Government but he shall continue in office until his resignation is accepted by the Government.

7. *Disqualifications for appointment as Director of the Board.*—(1) A person shall be disqualified for being appointed as, and for being, a Director of the Board, if he—

(a) has been sentenced for any offence involving moral turpitude, such sentence not having been reversed ;

(b) is an undischarged insolvent ;

(c) is of unsound mind ;

(d) is an officer or servant of the Board ;

(e) has directly or indirectly, by himself or by any partner, employer or employee, any share or interest in any contract or employment with, by or on behalf of, the Board ;

(f) is a Director or a Secretary, Manager or other officer of any incorporated company which has any share or interest in any contract or employment with, by or on behalf of, the Board.

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(2) A person shall not be disqualified under clause (e) or clause (f) of sub-section (1) or be deemed to have any share or interest in any contract or employment within the meaning of those clauses, by reason only of his, or the incorporated company of which he is a Director, Secretary, Manager, or other officer, having a share or interest in—

(i) any sale, purchase, lease or exchange of immovable property or any agreement for the same ;

(ii) any agreement for the loan of money or any security for the payment of money only ;

(iii) any newspaper in which any advertisement relating to the affairs of the Board is inserted ;

(iv) the occasional sale to the Board, if the sum paid as consideration does not exceed two thousand rupees in any one year, of any article in which he or the incorporated company regularly trades.

(3) A person shall not also be disqualified under clause (e) or clause (f) of sub-section (1) or be deemed to have any share or interest in any incorporated company which has any share or interest in any contract or employment with, by or on behalf of, the Board, by reason only of his being a shareholder of such company :

Provided that such person discloses to the Government the nature and extent of the shares held by him.

Explanation.—For the purposes of clause (d) of sub-section (1), the Chairman or the Managing Director or any Director shall not be deemed to be an officer or servant of the board.

8. Removal of the Chairman and other non-official Directors.—

(1) If at any time it appears to the Government that the Chairman has shown himself to be unsuitable for his office, or has been guilty of any misconduct or neglect which renders his removal expedient, they may, by notification remove him from office after giving him a reasonable opportunity of showing cause.

(2) The Government may, by notification, remove any non-official Director from office after giving him a reasonable opportunity of showing cause—

(a) if he has, without the permission of the Board, been absent from the meetings of the Board for a period of three consecutive months reckoned from the date of the commencement of his term of office, or of the last meeting which he attended, as the case may be, or if within the said period, less than three meetings have been held, been absent from three consecutive meetings held after the said date ;

(b) if he, being a legal practitioner, acts or appears on behalf of any person other than the Board in any civil, criminal or other legal proceedings in which the Board is interested, either as a party or otherwise ; or

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(c) if he, in the opinion of the Government, is unsuitable or has become incapable of acting as a Director or has so abused his position as a Director as to render his continuance as such Director detrimental to public interest.

(3) A non-official Director removed under any of the provisions of clauses (a) and (b) of sub-section (2) shall unless otherwise directed by the Government be disqualified for appointment as a Director for a period of three years from the date of his removal.

(4) A non-official Director removed under clause (c) of sub-section (2) shall not be eligible for reappointment until he is declared by an order of the Government to be no longer ineligible.

CHAPTER III

OFFICER AND MEMBERS OF THE STAFF OF THE BOARD

9. *Appointment of Secretary, Chief Engineer, Accounts Officer and other officers and servants of the Board.*—(1) The Board may appoint a Secretary, a Chief Engineer, an Accounts Officer and such other officers and servants as it considers necessary for the efficient performance of its functions :

Provided that the Board shall not without the previous approval of the Government, sanction the creation of, or appoint any person to, any post the maximum monthly salary of which exceeds one thousand and six hundred rupees :

Provided further that in case of emergency—

(a) the Managing Director may appoint, temporarily, for a period not exceeding three months such officers or servants as may, in his opinion, be required for the purpose of this Act, and the employment of whom for any particular work had not been prohibited by any resolution of the Board ; and

(b) every appointment made under clause (a) shall be reported by the Managing Director to the Board at its next meeting.

10. *Maintaining schedule of establishment.*—(1) The Board shall prepare and maintain a schedule of establishment showing the number, designation and grades of the officers and servants (other than the employees who are paid by the day or whose pay is charged to temporary work), whom it considers necessary and proper to employ for the purposes of this Act, and also the amount and the nature of the salary, fees and allowances to be paid to each such officer or servant and contributions payable under section 33 in respect of each officer and servant.

(2) The schedule referred to in sub-section (1) shall be revised every year before the first May of that year and shall contain the parti-

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culars mentioned in that sub-section, of the officers and servants of the Board employed on the 31st March immediately preceding.

11. *Control by the Managing Director.*—Subject to such regulations as may be framed by the Board, the Managing Director shall exercise supervision and control over the acts and proceedings of all the officers and servants of the Board.

CHAPTER IV

CONDUCT AND BUSINESS OF THE BOARD

12. *Meetings of the Board.*—(1) The Board shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3), observe such rules of procedure in regard to transaction of business at its meetings (including the quorum at meetings) as may be prescribed by regulations :

Provided that the Board shall meet at least once in three months.

(2) The Chairman or in his absence, the Managing Director shall preside at a meeting of the Board.

(3) All questions at any meeting of the Board shall be decided by a majority of the votes of the Directors present and voting and in the case of an equality of votes, the Chairman, or in his absence the Managing Director presiding, shall have and exercise a second or casting vote.

13. *Temporary association of persons with Board for particular purposes.*—(1) The Board may associate with itself in such manner and for such purposes as may be determined by regulations any person whose assistance or advice it may desire in performing any of its functions under this Act :

Provided that the number of persons so associated shall not be more than four.

(2) The Board may invite any person to offer his views on any subject discussed at any meeting of the Board.

(3) A person associated with the Board under sub-section (1) or invited for a discussion under sub-section (2) for any purpose shall have the right to take part in the discussions of the Board relevant to that purpose, but shall not have the right to vote at a meeting of the Board.

14. *Appointment and functions of Committees.*—(1) The Board may, from time to time, appoint Committees consisting of such number

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of persons as it may think fit for the purpose of discharging such duties or performing such functions, and on such terms and conditions as may be prescribed by regulations.

(2) The Chairman or such other person as he may nominate in this behalf shall be the president of the Committee and the Committee shall observe such rules of procedure in regard to transaction of business at its meetings as may be prescribed by regulations.

(3) All proceedings of the Committee shall be subject to confirmation by the Board.

15. *Acts of Board not to be invalidated by informality, vacancy, etc.*—No act done or proceedings taken under this Act by the Board or any Committee shall be invalidated merely on the ground—

(a) of any vacancy or defect in the constitution of the Board or the Committee; or

(b) of any defect or irregularity in the appointment of a person acting as a Director thereof; or

(c) of any defect or irregularity in such act or proceeding not affecting the merits of the case.

CHAPTER V

POWERS AND FUNCTIONS OF THE BOARD

16. *Functions of the Board.*—The Board shall perform all or any of the following functions, namely:—

(a) at the instance of the Government or a local authority—

(i) investigating the nature and type of schemes that can be implemented in the area of any local authority for the provision of drinking water and drainage facilities;

(ii) planning and preparing of schemes including schemes covering areas falling within the jurisdiction of more than one local authority for the purpose of providing the supply of drinking water or drainage facilities;

(iii) executing such schemes under a phased programme for the provision of drinking water and drainage facilities within the areas of local authorities to which such schemes relate;

(b) providing technical assistance or giving advice to local authorities in the execution and maintenance of water supply and drainage works;

(c) establishing and maintaining schemes incidental to water supply and drainage such as testing of water, designing of plant for purification of water, conducting research relating to water supply and maintaining farm schemes;

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(d) any other matter which is supplemental, incidental or consequential to any of the above functions ; and

(e) such other functions as may be prescribed.

17. *General powers of the Board.*—The Board shall, for the purpose of carrying out its functions under this Act, have the following powers, namely :—

(i) to acquire and hold such movable and immovable property as it deems necessary and to lease, sell or otherwise transfer any such property subject to such conditions as may be prescribed ;

(ii) to acquire under the Land Acquisition Act, 1894 (Central Act I of 1894) any land or any interest therein required by the Board for implementing any scheme ;

(iii) to incur expenditure and undertake any work in any area in the State for the preparation and execution of such schemes as it may consider necessary for the purpose of carrying out the provisions of this Act, or as the case may be, the functions entrusted to it by the Government ;

(iv) to enter into any contract ; and

(v) to do all things necessary for the purpose of carrying out the provisions of this Act.

CHAPTER VI

INVESTIGATION, PREPARATION AND EXECUTION OF SCHEMES BY THE BOARD

18. *Cost of investigation of schemes.*—The cost of investigation of any scheme undertaken by the Board either at the instance of the Government or local authority shall be borne by the local authority concerned. In case where the investigation is undertaken for more than one local authority, the cost of such investigation shall be borne by the local authorities concerned in such proportion as may be determined by the Board.

19. *Preparation of draft schemes by the Board.*—(1) As soon as the investigation undertaken by the Board is completed, the Board shall prepare an estimate of the expenditure that is likely to be incurred in regard to the scheme and also a sketch showing the salient features relating to the scheme and forward the same along with the report of the investigation to the local authority or authorities concerned.

(2) On receipt of the documents referred to in sub-section (1), the local authority concerned shall, within such time, as may be prescribed, examine the report of the investigation of the scheme proposed

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to be implemented in its area with reference to the cost to be incurred for the scheme and with reference to its financial capacity to meet the cost of the scheme. If the local authority decides to get the scheme implemented, it shall pass a resolution within such time as may be prescribed authorising the Board to execute the scheme. The resolution so passed by the local authority shall specify clearly that the local authority shall meet the cost of execution of the scheme and its maintenance and also indicate the manner in which and the ways and means by which the cost of the scheme is proposed to be borne by such local authority.

(3) On receipt of the resolution and other particulars referred to in sub-section (2), the Board shall examine, in general, the feasibility of implementation of the scheme in all its aspects and in particular the financial capacity of the local authority concerned. If on such examination the Board is satisfied about the feasibility of implementation of the scheme, then, the Board shall forward the draft scheme to the Government for their approval.

(4) Notwithstanding anything contained in any law relating to local authorities for the time being in force, or in any other law, for the time being in force, any resolution passed by any local authority under this section shall be final and any such resolution shall not be cancelled or rescinded or altered by such local authority except with the previous approval of the Government.

20. *Approval of the scheme by the Government.*—As soon as may be, after the submission of the draft scheme under sub-section (3) of section 19, the Government shall within such time as may be prescribed, either approve the said draft scheme or approve it with such modification as they may consider necessary or return the said draft scheme to the Board to modify the draft scheme or to prepare a fresh draft scheme in accordance with such directions as the Government may issue in this behalf and resubmit it to the Government for approval.

21. *Publication of approval of the draft scheme in the Tamil Nadu Government Gazette.*—(1) The Government shall, by a notification in the Tamil Nadu Government Gazette publish their approval to the draft scheme.

(2) A notification published under sub-section (1) shall be conclusive evidence that the scheme has been duly made and approved. The scheme shall thereupon become final and shall be hereinafter called the “approved scheme.”

22. *Execution of approved scheme by the Board.*—As soon as the notification under section 21 is published in the Tamil Nadu Government Gazette, the Board shall execute the approved scheme in the areas of the local authority or authorities concerned.

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23. *Recovery of the cost of the scheme.*—(1) The cost relating to the preparation and execution of any scheme by the Board including all incidental expenses connected therewith incurred by the Board shall be borne by the local authorities concerned on whose behalf such scheme was prepared and executed by the Board. In cases where the scheme was prepared and executed for more than one local authority, the cost of such scheme shall be borne by the local authorities concerned in such proportion as may be determined by the Board.

(2) The cost relating to the investigation, preparation and execution of any scheme by the Board including all incidental expenses connected therewith incurred by the Board shall be recoverable by the Board from the local authority concerned in such manner and in such number of instalments and at such time or times as may be prescribed.

(3) In the event of any failure on the part of any local authority to pay the cost of the scheme to the Board, the Government shall pay to the Board, such cost or so much thereof as is remaining due and shall recover the same from the local authority concerned in such manner and in such number of instalments and at such time or times as may be prescribed.

(4) The Board may include in the cost of investigation, preparation and execution of any scheme or any other work undertaken by it, the supervision and centage charges at such rates as may be prescribed.

24. *Power of Government to direct to the Board to prepare and execute any scheme.*—Notwithstanding anything contained in this Act or in any other law for the time being in force, if in the opinion of the Government, it is expedient in the public interest to investigate, prepare and execute any scheme in any area of a local authority, or where any local authority wilfully refuses or fails to pass any resolution for the execution of any scheme by the Board under section 19 and such refusal or failure in the opinion of the Government is without sufficient reasons, then, they may, by general or special order direct the Board to investigate, prepare and execute any scheme in any area of a local authority. The provisions of sections 19 to 22 (both inclusive) shall, so far as may be, apply to the preparation and execution of the scheme by the Board under this section. The cost relating to the investigation, preparation and execution of the scheme by the Board under this section shall be paid by the Government to the Board and the same shall be recovered by the Government from the local authority concerned in such manner and in such number of instalments and at such time or times as may be prescribed.

25. *Power of the Board to agree or refuse to prepare and execute the scheme.*—(1) In the case of schemes proposed by a local authority, the Board may agree to prepare and execute the scheme if it is satisfied that such scheme is necessary and feasible. The Board may refuse to prepare and execute such scheme if it is satisfied that such scheme is either unnecessary or not feasible or that it is otherwise unexecutable.

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(2) Any local authority deeming itself aggrieved by the refusal of the Board under sub-section (1) may, within two months from the date of receipt of the order of such refusal, appeal to the Government who may pass such orders thereon as they think fit and it shall be the duty of the Board or local authority to give effect to such orders accordingly.

26. *Local authority to provide adequate facilities to the Board.*—It shall be the duty of the local authority concerned to which any scheme relates, to provide necessary assistance to the Board for the proper execution of any approved scheme within the territorial limits of such local authority.

27. *Power of the local authority to undertake schemes.*—No local authority shall without the approval of the Board investigate, prepare or execute any scheme :

Provided that no such approval shall be given by the Board if the cost of the scheme to be undertaken by the local authority exceeds or is likely to exceed fifty thousand rupees.

CHAPTER VII

TRANSFER OF ASSETS AND LIABILITIES OF THE PUBLIC HEALTH ENGINEERING AND MUNICIPAL WORKS DEPARTMENT TO THE BOARD

28. *Transfer of assets and liabilities of the Public Health Engineering and Municipal Works Department to the Board.*—All the assets and liabilities of the Public Health Engineering and Municipal Works Department except the assets and liabilities which the Government may by general or special order, specify in this behalf, shall, subject to such directions as they may specify in such order, vest in the Board.

29. *Transfer of property to the Board.*—The Government may transfer to the Board any building, land or other property movable or immovable for the use of, and management by, the Board on such conditions and subject to such limitations as may be imposed by the Government.

30. *Transfer of officers and staff of Public Health Engineering and Municipal Works Department to the Board.*—Every person who immediately before the notified date is serving in connection with the affairs of the Department of Public Health Engineering and Municipal Works including the office of the Chief Engineer (Public Health Engineering and Municipal Works) under the Government shall as from that date be deemed to have been allotted to serve in connection with the affairs of the Board and shall cease to be an employee of the Government :

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Provided that the conditions of service applicable immediately before the notified date to any person shall not be varied by the Board to his disadvantage except with the previous approval of the Government:

Provided further that nothing contained in this section shall apply to any officer or other employee who has, by notice in writing, given to the Board within sixty days next following the notified date intimated his intention of not becoming an officer or other employee of the Board.

31. *Transfer of any other employees of Government to the Board.*—

(a) As soon as may be after the notified date, the Government may after consulting the Board direct by general or special order that such of the employees other than those employees referred to in section 30 serving, immediately before the said date in connection with the affairs of the State as are specified in such order shall stand allotted to serve in connection with the affairs of the Board with effect on and from such date as may be specified in such order:

Provided that no such direction shall be issued in respect of such person without his consent for such allotment:

Provided further that the conditions of service applicable immediately before the notified date to any such person shall not be varied to his disadvantage except with the previous approval of the Government.

(b) With effect on and from the date specified in the order under clause (a) the persons specified in such order shall become employees of the Board and shall cease to be employees of the Government.

32. *Transfer of Provident Fund to the Board.*—(1) The moneys standing to the credit under the Provident Fund Account of any officer or servant transferred from the service of the Government to the Board's Service, on the notified date together with any other assets belonging to such fund shall stand transferred to and vest in the Board with effect on and from the notified date.

(2) The Board shall as soon as may be after the notified date constitute in respect of the moneys and other assets which are transferred to and vested in it under sub-section (1) a similar fund and may invest the accumulations under the fund in such securities and subject to such conditions, as may be specified by the Board with the approval of the Government.

Explanation.—In this section and in sections 30, 31 and 33 “notified date” in regard to persons who are deemed to have been allotted to the Board's service under section 30 means such date as is notified by the

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Government in this behalf ; and in regard to persons who were allotted by the Government to the Board's service under section 31 means the respective dates on which such persons become the employees of the Board.

33. *Government to credit the leave salary and pensionary contributions in respect of the officers and servants transferred to Board's service.*—The Government shall credit the leave salary and pensionary contributions in respect of the officers and servants transferred to the service of the Board in proportion to the leave at the credit of such officers and servants or in proportion to the length of their service under the Government, as the case may be, according to the terms and conditions as are applicable to them under the Government on the notified date.

CHAPTER VIII

FINANCE, ACCOUNTS AND AUDIT

34. *Board's funds.*—(1) The Board shall have its own fund.

(2) The Board may accept loans, grants, subventions, donations and gifts from the Central or State Government or a local authority or any individual or body or organisation whether incorporated or not for all or any of the purposes of this Act.

(3) All moneys received by or on behalf of the Board by virtue of this Act, all proceeds of land or any other kind of property sold by the Board, all charges, all interests, profits and other moneys accruing to the Board shall constitute the fund of the Board.

(4) All moneys and receipts specified in the foregoing provisions and forming part of the fund of the Board shall be deposited into the public accounts of the Government under such detailed head of accounts as may be prescribed or in the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934 (Central Act II of 1934) and the said account shall be operated upon by such officers of the Board as may be authorized by the Board and in such manner as may be prescribed :

Provided that the Board may invest any sums not required for immediate use in such securities or debentures as may be approved by the Government.

35. *Subventions, loans and grants to the Board.*—The Government may, from time to time, make subventions, and grants or advance loans to the Board or any local authority for the purposes of this Act on such terms and conditions as the Government may, in each case determine.

36. *Power of the Board to borrow and lend.*—(1) Subject to the provisions of this Act and the rules made thereunder and subject to

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such conditions as may be specified by the Government by a general or a special order issued in this behalf by them and with their previous approval, the Board may, from time to time, borrow money required for the purposes of this Act by any one or more of the manners specified below :—

(a) raising loans from any Bank or other financing institution or the Life Insurance Corporation established under section 3 of the Life Insurance Corporation Act, 1956 (Central Act 31 of 1956) ; or

(b) raising loans from any Corporation, owned or controlled by the Central or the State Government ; or

(c) raising loans from the public by issue of bonds, or debentures Or stocks or otherwise in the form and manner approved by the Government.

(2) Subject to the provisions of this Act and to such conditions and limitations as may be prescribed, the Board may out of its funds grant loans and advances on such terms and conditions as it may determine, to any local authority for the provision, regulation or development of any scheme relating to the waer supply and drainage.

37. *Guarantee by Government of loans.*—The Government may guarantee in such manner as they think fit, the payment of the principal and interest of any loan proposed to be raised by the Board or any loan proposed to be given by the Board to any local authority in regard to the investigation, preparation or execution of schemes made under this Act.

Provided that the Government shall, so long as any such guarantees are in force, lay before both Houses of the Legislature in every year during the Budget session, a statement of the guarantees, if any given during the current year and an up-to-date account of the total sums, if any, which have been paid out of the Consolidated Fund of the State by reason of any such guarantees or paid into the said Fund towards repayment of any money so paid out.

38. *Form, signature, exchange, transfer and effect of debentures.*—(1) Whenever money is borrowed by the Board on debentures, the debentures shall be in such form as the Board may with the previous sanction of the Government specify.

(2) All debentures shall be signed by the Managing Director or Secretary or by any one of the official Directors of the Board.

(3) The holder of any debentures in any form specified under sub-section (1) may obtain in exchange therefor a debenture in any other form specified in the manner provided in sub-section (1) and upon such terms as the Board may determine.

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(4) Every debenture issued by the Board shall be transferable without endorsement, unless some other mode of transfer is specified therein.

(5) All coupons attached to debentures issued by the Board shall bear the signature of the Managing Director ; and such signature may be engraved, lithographed, or impressed by any mechanical process.

39. *Estimates of income and expenditure of the Board to be laid annually and considered before the Board.*—(1) The Chairman shall, at a special meeting to be held in the month of February in each year, lay before the Board an estimate of the income and expenditure of the Board for the next ensuing year.

(2) Every such estimate shall make provision for the due fulfilment of all the liabilities of the Board, and for the efficient administration of this Act.

(3) Every such estimate shall differentiate capital and revenue funds, and shall be prepared in such form and shall contain such details as the Board may, from time to time, specify.

(4) Every such estimate shall be compiled and a copy thereof sent, by post or otherwise, to each Director at least ten clear days before the date of the meeting at which the estimate is to be laid before the Board.

(5) A revised estimate, if any, including all the expenditure not covered in the original budget estimate shall be laid before the Board at a special meeting to be held in the month of December in each year.

(6) The Board shall consider every estimate so laid before it and shall sanction the same, either without modifications or with such modifications as it may think fit.

40. *Approval of Government to estimates.*—(1) Every such estimate, as sanctioned by the Board, shall be submitted to the Government who may, at any time within three months after receipt of the same—

(a) approve the estimate, or

(b) disallow the estimate or any portion thereof, and return the estimate to the Board for amendment.

(2) If any estimate is so returned to the Board, it shall forthwith proceed to amend it and shall resubmit the estimate as amended to the Government who may then approve it.

41. *Supplementary estimate.*—(1) The Board may, at any time during the year for which any estimate has been sanctioned, cause a supplementary estimate to be prepared and laid before it at a special meeting.

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(2) The provisions of sub-sections (3), (4) and (6) of section 39 and of section 40 shall apply to every supplementary estimate.

42. *Repayment of loans by the Board.*—Every loan taken by the Board shall be repaid by the Board within the period agreed upon by the Board by such of the following methods as may be approved by the Government, namely :—

(a) from a sinking fund established under section 43 in respect of the loan ;

(b) by paying in equal yearly or half-yearly instalments of principal or of principal and interest, throughout the said period ;

(c) from money borrowed for the purpose ;

(d) partly from the sinking fund established under section 43 in respect of the loan, and partly from money borrowed for the purpose ; or

(e) from any other source, with the prior permission of the Government.

43. *Establishment and maintenance of sinking and other funds.*—The Board may constitute a sinking fund, a depreciation reserve fund and a development fund in such manner and in such form as may be prescribed by regulations. Such funds shall be invested in such manner as may be determined by the Board with the approval of the Government.

44. *Annual reports, statistics and returns.*—(1) The Board shall, as soon as may be after the end of each year, prepare and submit to the Government before such date and in such form as may be prescribed a report giving an account of its activities during the previous year. and the report shall also give an account of the activities, if any, which are likely to be undertaken by the Board in the next year ; and the Government shall cause every such report to be laid before the State Legislature as soon as may be after it is received by the Government.

(2) The Board shall furnish to the Government at such times and in such form and manner as may be prescribed or as the Government may direct, such statistics and returns and such particulars in regard to any proposed or existing scheme as the Government may from time to time require.

45. *Accounts and Audit :* (1) The accounts of the Board shall be maintained in such manner and in such form as may be prescribed by regulations. The Board shall prepare an annual statement of accounts in such form as may be prescribed.

(2) The accounts of the Board shall be audited once in a year by such auditor as the Government may appoint in this behalf.

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(3) The auditor appointed under sub-section (2) shall, in connection with such audit, have such rights, privileges and authority as may be prescribed and in particular, the right to demand the production of books, accounts, connected vouchers and other documents and to inspect any of the offices of the Board.

(4) The Secretary shall cause the report of the auditor to be printed and forward a printed copy thereof to each Director and shall bring such report before the Board for consideration at its next meeting.

(5) The Board shall remedy, forthwith, any defects or irregularities that may be pointed out by the auditor and submit a report thereon to the Government.

46. *Remuneration of auditor.*—The Board shall pay to the said auditor such remuneration as the Government may direct.

47. *Accounts and audit report to be forwarded to the Government and placed before the State Legislature.*—(1) The accounts of the Board, as certified by the auditor, together with the audit report, thereon, shall be forwarded annually to the Government and the Government may issue such instructions to the Board in respect thereof as they deem fit and the Board shall comply with such instructions.

(2) The Government shall—

(a) cause the accounts of the Board together with the audit report thereon forwarded to them under sub-section (1) to be laid annually before the State Legislature; and

(b) cause the accounts of the Board to be published in the prescribed manner and make available copies thereof on sale at a reasonable price.

48. *Power to write off irrecoverable amount.*—The Board may write off any amount whatsoever due to it, whether under a contract or otherwise or any sum payable in connection therewith, if, in its opinion, such amount or sum is irrecoverable :

Provided that the Board shall, before writing off any such amount or sum exceeding twenty-five thousand rupees, obtain the sanction of the Government.

CHAPTER IX

PENALTIES AND PROCEDURE.

49. *No disqualification in certain cases.*—No person shall be disqualified for being chosen as, or being a member of the Legislative Assembly or of the Legislative Council by reason only of the fact that he is a Chairman or a Director of the Board.

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50. *Penalty for obstructing contractor or removing mark.*—If any person—

(a) obstructs or molests any person with whom the Board has entered into a contract in the performance or execution by such person of his duty or of anything which he is empowered or required to do by virtue of, or in consequence of, this Act or any rule or regulation made thereunder, or

(b) removes any mark set up for the purpose of indicating any level or direction necessary to the execution of works authorized by this Act or any rule or regulation made or scheme sanctioned thereunder,

he shall be punishable with fine which may extend to two hundred rupees.

51. *Penalty for breach of the provisions of the Act, etc.*—Whoever contravenes any of the provisions of this Act or of any rule or regulation or scheme made or scheme sanctioned thereunder, shall, if no other penalty is provided for such contravention, be punishable—

(a) with fine which may extend to one hundred rupees ; and

(b) in case of a continuing contravention, with fine which may extend to fifty rupees for each day after the first during which the contravention continues.

52. *Prosecution and trial of offence.*—(1) No court shall take cognizance of any offence punishable under this Act or any rule or regulation or scheme made thereunder unless complaint of such offence is made by the Board or any officer authorised by it in this behalf within six months next after the commission thereof.

(2) No court inferior to that of a salaried presidency magistrate or a salaried magistrate of the first-class shall try any offence punishable under this Act.

53. *Arrest of offenders.*—(1) Any police officer not below the rank of a head constable, may arrest any person who commits in his presence, any offence against this Act or any rule or regulation or scheme made thereunder, if the name or address of such person be unknown to him and if such person on demand declines to give his name or address, or gives a name or address which such officer has reason to believe to be false.

(2) No person so arrested shall be detained in custody after his true name and address are ascertained or for any longer time than is necessary for bringing him before a magistrate and in no case shall such detention exceed twenty-four hours from the time of arrest without the orders of a magistrate.

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54. *Offences by companies.*—(1) If the person committing an offence under this Act is a company, every person, who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence, and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge, or that he exercised all due diligence to prevent the commission of the offence.

(2) Notwithstanding anything contained in sub-section (1) where an offence under this Act, has been committed by a company, and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(a) ‘Company’ means a body corporate and includes a firm or other association of individuals ; and

(b) ‘Director in relation to a firm’ means a partner in the firm.

CHAPTER X

MISCELLANEOUS

55. *Emergency powers of Managing Director.*—The Managing Director may, in cases of emergency, direct the execution of any work or the doing of any act which requires the sanction of the Board if the immediate execution or the doing of which is, in his opinion, necessary for the service or safety of the public and may also direct that the expenses of executing the work or of doing the act shall be paid from the funds of the Board :

Provided that—

(a) he shall not act under this section in contravention of any direction of the Board or the Government prohibiting the execution of any particular work or the doing of any particular act ;

(b) he shall report the action taken by him under this section and the reasons therefor to the Board at its next meeting and shall also submit a copy of his report to the Government and the Board or the Government may issue such directions as it or they may deem fit on such report.

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56. *Powers of Managing Director as to institution, composition, etc., of legal proceedings and obtaining legal advice.*—The Managing Director may, subject to the control of the Board—

(a) institute, defend or withdraw from legal proceedings instituted under this Act or any rules or regulations made thereunder ;

(b) compound any offence against this Act or any rules or regulations made thereunder which, under any law for the time being in force or the rule prescribed by the Government, may lawfully be compounded ;

(c) admit, compromise or withdraw any claim made under this Act or any rules or regulations or schemes made thereunder ; and

(d) obtain such legal advice and assistance as he may, from time to time, think it necessary or expedient to obtain, or as may be desired by the Board to obtain, for any of the purposes referred to in the foregoing clauses of this section, or for securing the lawful exercise or discharge of any power or duty vested in or imposed upon the Board or any officer or servant of the Board.

57. *Delegation of powers.*—(1) The Government may, by notification authorise any authority or officer to exercise any of the powers vested in them by this Act except the power to make rules under section 72 and may in like manner withdraw such authority.

(2) The Board may, by general or special order in writing delegate to the Chairman or Managing Director or any other Director of the Board or the Secretary or any other officer of the Board such of its powers and functions under this Act except the power to acquire land under section 17 and to make regulations under section 73 as it may deem necessary and it may in like manner withdraw such authority.

(3) The exercise of any power delegated under sub-section (1) or sub-section (2) shall be subject to such restrictions and conditions as may be specified in the order and also to control and revision by the Government or by such officer as may be empowered by the Government in this behalf or as the case may be by the Board or such officer as may be empowered by the Board in this behalf.

(4) The Government or the Board, as the case may be, shall also have the power to control and revise the acts or proceedings of any officer so empowered.

58. *Power of the Government to issue orders and directions to the Board or local authorities.*—The Government may issue to the Board or to the local authority concerned such orders and directions as in their opinion are necessary or expedient for carrying out the purposes of this Act and the Board or such local authority, as the case may be, shall give effect to all such orders and directions.

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59. *Duties of police officers.*—(1) It shall be the duty of every police officer—

(a) to co-operate with the Board for carrying into effect and enforcing the provisions of this Act or any rule or regulation or scheme made thereunder ;

(b) to communicate without delay to the proper officer or servant of the Board any information which such police officer receives of a design to commit, or of the commission of, any offence against this Act or any rule or regulation or scheme made thereunder ; and

(c) to assist the Board or any officer or servant of the Board reasonably demanding the aid of such police officer for the lawful exercise of any power vesting in the Board or any such officer or servant under this Act or any rule or regulation or scheme made thereunder.

(2) Any police officer who omits or refuses to perform any duty imposed on him by this Act, shall be deemed to have committed the offence under section 10 or under section 44 of the Tamil Nadu District Police Act, 1859 (Central Act XXIV of 1859).

60. *Adjudication of disputes between the Board and local authorities.*—When a dispute exists between the Board and one or more than one other local authority or among local authorities in regard to any matter arising under the provisions of this Act, and the Government are of the opinion that the parties are unable to settle it amicably among themselves, they may take cognizance of the dispute and decide it themselves.

(2) The decision of the Government thereon shall be binding on the Board and the local authorities concerned and shall not be liable to be questioned in any court of law.

61. *Effect of other laws.*—(1) The provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force, regulating any of the matters dealt with in this Act :

Provided that nothing in this Act shall be deemed to prevent the local authority from discharging its duties in regard to the making, altering, repairing or renewing any water course or other work in respect of any area within the jurisdiction of that local authority under any law for the time being in force.

(2) Save as otherwise provided in this Act the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any custom, usage or contract or decree or order of a Court or other authority.

62. *Notice of suit against Board, etc.*—No suit shall be instituted against the Board, or any Director, or any officer or servant of the Board, or any person acting under the direction of the Board, or of the Chairman

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or Managing Director or of any officer or servant of the Board, in respect of any act done or intended to be done under this Act or any rule or regulation or scheme made thereunder until the expiration of sixty days next after written notice has been delivered or left at the Board's office or the place of abode of such officer, servant or person, stating the cause of action, the name and place of abode of the intending plaintiff, and the relief which he claims, and the plaint must contain a statement that such notice has been so delivered or not.

63. *General power of the Board to pay compensation.*—In any case not otherwise expressly provided for in this Act, the Board may pay reasonable compensation to any person who sustains damage by reason of the exercise of any of the powers vested by or under this Act in the Board or the Chairman or the Managing Director or any officer or servant of the Board.

64. *Compensation to be paid by offenders for damage caused by them.*—(1) When any person is convicted of any offence under this Act or any rule or regulation or scheme made thereunder, the magistrate convicting such person may, on application made in this behalf by the Board or by its officer or servant authorised by it in this behalf, call upon such person forthwith to show cause as to why he should not pay compensation to the Board for the damage caused by his act or omission in respect of which he is convicted.

(2) The magistrate shall record and consider any cause which such person may show and if the magistrate, after making such inquiry as he may think fit, is satisfied that such person is liable to pay compensation, may direct that compensation to such amount not exceeding one thousand rupees as he may determine, be paid by such person to the Board.

(3) The amount of compensation directed to be paid under subsection (2), shall, if it be not paid forthwith, be recovered as if it were a fine imposed by the magistrate on such person.

65. *Mode of recovery of dues.*—If any amount due to the Board in accordance with the terms of a contract or otherwise or any sum payable in connection therewith, has not been paid, the Board may, without prejudice to any other remedy provided by law, recover such amount or sum as arrears of land revenue.

66. *Authentication of orders and other instruments of the Board.*—(1) All orders and decisions of the Board shall be authenticated by the signature of the Secretary or any officer of the Board authorised in writing by the Board in this behalf.

(2) The Managing Director or any officer of the Board authorised in writing in this behalf may sign on behalf of the Board any agreement or other instrument to be executed on behalf of the Board.

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67. *Stamping signature on notices or bills.*—Every notice or bill, which is required by this Act or by any rule or regulation made thereunder to bear the signature of the Managing Director or any other Director or of any officer or servant of the Board, shall be deemed to be properly signed if it bears the facsimile of the signature of the Managing Director or of such other Director or of such officer or servant, as the case may be stamped thereupon.

68. *Power of entry.*—(1) The Managing Director or any person either generally or specially authorised by the Managing Director in this behalf may, with or without assistants or workmen, enter into or upon any land, in order—

(a) to make any inspection, survey, measurement, valuation or inquiry ;

(b) to take levels ;

(c) to dig or bore into the sub-soil ;

(d) to set out boundaries and intended lines of work ;

(e) to mark such levels, boundaries and lines by placing marks and cutting trenches ;

(f) to place and maintain pipes, drains and other installations upon, along, across or under any land ; or

(g) to do any other thing, whenever it is necessary to do so for any of the purposes of this Act or any rule or regulation made or scheme sanctioned thereunder or any scheme which the Board intends to frame thereunder :

Provided as follows :—

(a) no such entry shall be made between sunset and sunrise ;

(b) no dwelling house, and no public building or hut which is used as a dwelling place, shall be so entered, except with the consent of the occupier thereof, without giving the said occupier at least twenty-four hours previous written notice of the intention to make such entry ;

(c) sufficient notice shall, in every instance, be given even when any premises may otherwise be entered without notice, to enable the inmates of any apartment appropriated to women to remove themselves to some part of the premises where their privacy will not be disturbed ;

(d) due regard shall always be had, so far as may be compatible with the exigencies of the purpose for which the entry is made to the social and religious usages of the occupants of the premises entered.

(2) Whenever the Managing Director or a person authorised under sub-section (1) enters into or upon any land in pursuance of that

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sub-section, he shall, at the time of such entry, pay or tender payment for all necessary damage to be done as aforesaid ; and in case of dispute as to the sufficiency of the amount so paid or tendered, he shall at once refer the dispute to the Board, whose decision shall be final.

69. *Protection of action taken in good faith.*—(1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is, in good faith, done or intended to be done in pursuance of this Act or any rule or order or scheme made thereunder.

(2) No suit or other legal proceeding shall lie against the Government, the Board or any Committee thereof, for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or of any rule or order or scheme made thereunder.

70. *Officers and servants of the Board to be public servants.*—All officers and servants of the Board, and any person entrusted with the execution of any function under this Act, shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

71. *The Board to be a local authority under Central Act I of 1894 and Central Act IX of 1914.*—The Board shall be deemed to be a local authority for the purposes of the Land Acquisition Act, 1894 (Central Act I of 1894), and the Local Authorities Loans Act, 1914 (Central Act IX of 1914).

CHAPTER XI

RULES AND REGULATIONS.

72. *Power to make rules.*— (1) The Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) all matters expressly required or allowed by this Act to be prescribed ;

(b) the qualifications for appointment of, and the grant of leave of absence to, the Chairman and the Managing Director of the Board ;

(c) the term of office and the terms and conditions of service of the Chairman, the Managing Director and the non-official Directors including the payment of any honorarium or sitting fees for attending

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the meetings of the Board and any other allowances and the manner of filling casual vacancies in the officers of the non-official Directors of the Board;

(d) the functions of the Board ;

(e) the conditions of the acquisition, transfer, etc., of any property by the Board ;

(f) the time-limit within which the resolutions of the local authority, for the preparation, execution, etc., of schemes by the Board will have to be passed and communicated to the Board ;

(g) the time limit within which the approval of the Government to the draft schemes prepared and forwarded by the Board, will have to be given ;

(h) the manner in which and the number of instalments and the time or times at which, the cost of the schemes shall be recovered ;

(i) the manner of operation of funds by the Board ;

(j) the mutual relationship of the Board and other local authorities in any matter in which they are jointly interested ;

(k) the borrowing and lending of money by the Board ;

(l) the conditions and limitations for the grant of loans and advances by the Board to the local authorities ;

(m) the form in which the reports of the Board will have to be prepared by the Board and the form and manner and the time-limit for the submission of statistics and returns by the Board to the Government ;

(n) the rights, privileges and authority of auditors appointed under this Act ;

(o) the manner in which the accounts of the Board will have to be published ;

(3) All rules made under this Act shall be published in the *Tamil Nadu Government Gazette*, and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(4) Every rule made under this Act shall, as soon as possible after it is made, be placed on the table of both Houses of the Legislature, and if, before the expiry of the session in which it is so placed or the next session both Houses agree in making any modification in any such rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

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73. Power to make regulations.—(1) The Board may, by notification, make regulations not inconsistent with this Act, and the rules made thereunder, for the purpose of giving effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for—

(a) all matters expressly required or allowed by this Act to be prescribed by regulations ;

(b) the terms and the conditions of appointment and service and the scales of pay of officers and servants of the Board including the payment of travelling and daily allowances in respect of journeys undertaken by such officers and servants of the Board ;

(c) the supervision and control over the acts and proceedings of the officers and servants of the Board and the maintenance of discipline and conduct among the officers and servants of the Board ;

(d) the procedure in regard to the transaction of business at the meetings of the Board including the quorum ;

(e) the purposes for which and the manner in which temporary association of persons may be made ;

(f) the duties, the functions, the terms and conditions of service of the members of the Committees ;

(g) the duties, the functions and the powers of the Chairman, the Managing Director, the Secretary and the Chief Engineer of the Board ;

(h) the manner and the form in which a sinking fund, a depreciation reserve fund and the development fund has to be constituted ;

(i) the manner and the form relating to the maintenance of the accounts of the Board ;

(3) No regulation or its cancellation or modification shall have effect until the same shall have been approved by the Government.

(4) The Government, may, by notification, rescind any regulation made under this section and thereupon, the regulation shall cease to have effect.